

**HOME INSPECTOR ADVISORY COMMITTEE
1400 EAST WASHINGTON AVENUE, MADISON, WI
MINUTES
DECEMBER 13, 2000**

PRESENT: Larry Engen, Mark Jankowski, Norbert Lovata, Rita McCain, Richard Staff, Mark Thomas and Brian VandenHeuvel

EXCUSED: Jerome Baumgardt

STAFF PRESENT: Cletus Hansen, Jan Neitzel and Jacquelynn Rothstein; Sandi Lesperance, Direct Licensing, and Duane Dorn, Examinations Dept, were available for portions of the meeting.

CALL TO ORDER

The meeting was called to order at 9:35 a.m. by Clete Hansen, Administrator of the Division of Business Licensure and Regulation.

AGENDA

Rick Staff requested that under "miscellaneous correspondence" the Committee might add a review of discussions the WRA has had with a legislator concerning a possible statutory change.

The agenda were informally approved as amended.

MINUTES (9/13/00)

Mark Thomas requested that a clarification be made to the minutes of 9/13/00 to reflect the discussion regarding the relationship between real estate agents and home inspectors and should state that, "Mark Thomas had commented on a proposal which he perceived as being in violation of the statutes relating to payment of finders fees and referral fees."

The Committee will discuss "affinity programs" under "relationship between real estate agents and home inspectors."

MOTION: Rick Staff moved, seconded by Norbert Lovata, to approve the minutes as amended. Motion carried unanimously.

ADMINISTRATIVE REPORT

Secretary Marlene Cummings

Secretary Cummings was not available.

Clete J. Hansen, Administrator

- Roster

Rita McCain added information, Brian VandenHeuvel made a change to his E-mail address, and Mark Jankowski changed his mailing address.

- Next Meeting Date

The Committee agreed to meet February 21, 2001, at 9:30 a.m.

- Regulation and Licensing Web Publications

Clete Hansen reported that the Department's web page will change in looks but will continue to contain the Regulatory Digests and other information on credential holders. The brochures for the professions will be added in the future.

UPDATE ON EXAMINATIONS

Duane Dorn reported that many home inspectors still need to take the rules examination and that the last date to take the examination will be December 27, 2000. The Committee discussed the disciplinary actions that will be taken by DRL if home inspectors do not take and pass the examinations and do not get registered, but continue to do home inspections.

The Committee discussed the November 1, 2000, change in examination content of the current national examination and the higher passing score of 72%. The passing score for the previous examination was 67%.

Rick Staff expressed concern about the national examination having a different passing point and recommended that the Department inform the home inspectors of the higher passing score before the next Regulatory Digest is sent. The Committee requested that Duane Dorn write a letter to the home inspectors.

Duane Dorn stated that the rules and statutes examinations will be combined into one test, the state law exam, after January 1, 2001.

Sandy Lesperance reported concerning the number of home inspectors that have taken the examinations. Ms. Lesperance stated that it could be advantageous for home inspectors, who have not taken the tests, to send in the renewal, but not complete the information on the back relating to continuing education or examination information.

RELATIONSHIP BETWEEN REAL ESTATE AGENTS AND HOME INSPECTORS

Rick Staff stated that Bill Dusso, Jacquelynn Rothstein, himself, and representatives from Shorewest will meet in the near future to discuss the marketing program of Shorewest Realtors and to look over the contract relating to affinity programs.

The Committee discussed changing the name of “affinity programs” to “marketing programs.”

Rick Staff explained an affinity program as a program where a consumer enters into a relationship with a referring company, such as an airline or a wholesale club. Once you enter into this agreement, benefits are received from the referring company such as referrals or discounts to assist in making connections with consumers. The referred company pays the referring company a fee for customer referrals. The customer receives a discount from the referred company for using the referred company.

The Committee discussed real estate agents recommending a home inspector or supplying a list of home inspectors.

Rick Staff discussed the use of home inspection reports requested and paid for by a prospective buyer and disclosing the same report to a subsequent prospective buyer. The report may be outdated. Mr. Staff informed the Committee that a legislator has contacted the WRA and discussed some potential statutory changes. Mr. Staff recommended that a standard introductory paragraph be placed in the substantive material section in every home inspection report stating that the report was prepared for a specific transaction and that every home purchaser has the right to hire his or her own home inspector. Mr. Staff also suggested that a reference to s. 440.976, Stats., relating to disclaimers or limitation of liability, and s. 440.977, Stats., relating to liability of home inspectors, be placed in the substantive material section.

ISSUES RELATING TO CHAPTER 440, SUBCHAPTER X, AND CHAPTERS RL 131-135, WISCONSIN ADMINISTRATIVE CODE

Definition of Home Inspection

The Committee agreed that the statute pertaining to the definition of home inspection does need to be evaluated for its original intent. The Committee agreed that that the statute should apply to 1-4 family residential properties only.

MOTION: Rick Staff moved, seconded by Brian VandenHeuvel, to review the history of the statutes, clarify the original intent of the statutes, and to further clarify the statute if more than 1-4 family residential property was intended to be included in the statute. Motion carried unanimously.

Exemption of Engineers

The Committee discussed Wayne Austin’s interpretation that the statutes do allow engineers to do home inspections within their scope of practice and that they do not need to be licensed as home inspectors.

MOTION: Mark Jankowski moved, seconded by Norbert Lovata, to recommend that engineers who perform home inspections be licensed as home inspectors. Motion carried unanimously.

Apply for Examination 30 Days Before the Examination

To be discussed at a future meeting.

Home Inspector Reports

Home inspector reports will be discussed at the February 21, 2001, meeting.

Delivery of Report to Clients Only

To be discussed at a future meeting.

Relationship to Appraisers (440.978(2)(I), Stats.)

The Committee discussed keeping home inspections and real estate appraisals separate to help reduce property flipping.

Revisions to Standards of Inspection (Peck)

Revisions to standards of inspection will be discussed at the February 21, 2001, meeting.

ADMINISTRATIVE RULE REVISIONS

Clete Hansen reported that the hearing for the rule revision relating to the home inspector examination and continuing education requirements was held on November 13, 2000. There was no attendance by the public. The rule will proceed to the legislative committees for 30 days. The official date for the rule changes will be in March or April of 2001.

CONTINUING EDUCATION

The Committee requested that a random sample of home inspectors be done to gather information on continuing education credits and should include the location where the courses were taken and the quality of these courses.

MISCELLANEOUS CORRESPONDENCE/INFORMATION

None.

COMPLAINTS AGAINST HOME INSPECTORS IN 2000

Clete Hansen reported that many of the names listed in the home inspector complaint registry have been listed for two years. A home inspector's name will be removed at the end of the two years if no other complaints have been received against him or her.

ADJOURNMENT

MOTION: Mark Jankowski moved, seconded by Rick Staff, to adjourn the meeting at 12:07 p.m. Motion carried unanimously.